

Available online at www.sciencedirect.com

ScienceDirect

journal homepage: <http://www.elsevier.com/locate/ism>INTERNATIONAL
STRATEGIC MANAGEMENT
R E V I E W

Governance for SMEs: Influence of leader on organizational culture

Abdelmoula Inès Miladi*

Doctor in Finance and Accounting Methods

Road Gremda Km 6, avenue "Hedi Chaker" 3022 Sfax, Tunisia

ARTICLE INFO

Article history:

Submitted 23 January 14

Accepted 15 July 14

Keywords:

SME Governance

Leader profiles

Organizational culture

Structural equations

ABSTRACT

Many studies have focused on corporate governance in listed companies, but few studies have been conducted on specific governance mechanisms for Small and Medium Enterprises (SMEs). However, SMEs take up an important place in economics of many developing countries like Tunisia. This paper has for main objective to identify determinants of organizational culture of SMEs as an important governance mechanism. To achieve this objective, a survey has been conducted by means of questionnaire with 120 Tunisians SMEs. The results of structural equations show that the experience and the training mode of the leader of SMEs influence the organizational culture.

© 2014 Holy Spirit University of Kaslik. Hosting by Elsevier B.V. All rights reserved.

1. Introduction

A small number of researches are focused on SME although it is heterogeneous and it is not the reduced model of a large organization [1]. Indeed, the SME is crossed by an entrepreneurial logic and the organization is marked by issues managers [2]. The management of SMEs is generally studied, but the discussion of relations leader/management is not sufficiently explored [3]. However, SMEs occupy an important place in the economy of many countries especially developing like Tunisia and we are almost agreed on the benefits of good governance for the economy in general and the company in particular and conscious about the relationship between mechanisms of corporate governance and performance [4].

Governance system for listed companies assumes that leaders are restricted in their decisions and actions of external and internal disciplinary mechanisms. These mechanisms should help secure the shareholders and all stakeholders in the company (leader, State or local authorities, creditors, employees) in their agency relationships and transactions with the company [5]. External mechanisms are market mechanisms (market leaders, goods and services, work) and regulation. Internal mechanisms are related to the rules and conditions of exercise of such power management at the board (composition and independence of the members). However, the mechanisms of governance of SMEs are primarily internal, since SMEs are generally not listed on the stock market and financial market regulator has no role. Even in SMEs limited company, the role of the board is nominal and is dominated by the family power. Thus, it is the leader who chooses the mechanisms of framing his

* Corresponding author. Tel.: +21622742006.
E-mail address: abdelmoula_iness@yahoo.fr

decisions and not the external elements that require these mechanisms. This leader has multiples profiles which depend largely on his culture. In Tunisia, the subject of corporate governance has taken the attention of many researchers, journalists and even politicians. According to statistical reports of the Agency for the Promotion of Industry, SMEs dominate the economy and form the primary source of employment. Moreover organizational culture of Tunisian SMEs is often considered dependent on the culture of its leader while it constitutes a very important governance mechanism creator of value [3]. Thus the question is about the relationship between the profiles of the leader and the creation of an adaptive and participatory culture in the context of SMEs.

Many researches consider that the organizational culture of SME is confounded with the culture of its leader [6]. This result cannot be generating for all SMEs because it depend of the degree of development of small business [1]. This research seeks to identify the relation between the profiles of leader which are influenced by his culture and the organizational culture of Tunisians SMEs. [7], in its proposals for a theory of corporate governance, provides a typology of mechanisms that corporate culture is a specific and spontaneous mechanism. Culture can be defined as the set of values shared within a group of individuals. It consists of collective mentally built, shared within a group or a nation. This governance mechanism is considered compulsory within SMEs characterized by multiple profiles [8]. Therefore, the main objectives of this research are:

- To describe the specifics of corporate governance system in SMEs.
- To analyze the influence of the leader on organizational culture.
- To demonstrate that the organizational culture of SMEs isn't constantly confound with the culture of its leader as suggesting by a large literature.

2. The Theoretical Framework

In SMEs, corporate governance is not only the resolution of agency conflicts but also the interests of stakeholders like customers, suppliers, investors, creditors. Therefore, other theories may apply to the governance of SMEs [9]. We thought that we must go beyond the traditional approach to governance, namely that control leader to act in the interest of shareholders (type I agency conflict) to explore other avenues such as the partnership approach and the cognitive power, an emerging literature. SMEs are characterized, first, by personal or family ownership of company assets and, second, by the personal liability of directors so SMEs have agency conflicts different of those companies dispersed ownership structure; the level of information asymmetry between shareholders and managers is quite high. Indeed, in SMEs the ownership structures are varied and dissociation property-control is less common [10]. Thus, the

level of information asymmetry is low or even non-existent since the leaders are in most cases shareholders.

Conflicts and agency costs are virtually zero since owners are often at the same time leaders, there would be an overlap on the logic of maximizing profiles and development risk. Thus, the need of control will be less intense in the family business as a result of greater discipline on the part of management; control procedures are not useful and will be used later to encumber the company profitability [11]. However, the agency conflict between controlling shareholders and minority shareholders (type II agency conflict) will be more intensive in family SMEs where the ownership structure is highly concentrated [3]. Corporate Governance in SMEs is rich enough, it can be explained by an alternative theory of psychosocial nature, that of "Stewardship Theory".

Researchers specializing in "Organizational Behavior" developed the theory of stewardship focused primarily on the issue of motivation of the leader. This theory rests on the idea that in a family business, agency theory is inapplicable to the extent that the three functions of the officer, shareholder and supervisor are held by the same person or the family. In fact, contrary to the theory of agency that is well suited in cases where leaders are individualistic behaviors and maximizing their own utility function, stewardship theory proposes to consider situations where the leader gives the priority to the general interest. Subsequently, the control systems of leader, in optical agency, will certainly be ineffective or even against-productivity.

Stewardship model is based on the assumption that the leader is not necessarily opportunistic but he seeks to achieve a high level of profitability for the company and to improve the income of shareholders. The leader may derive satisfaction from the success of his organization by promoting the general interest.

Thus, according to this logic, the shareholders and directors have interests perfectly aligned. Managers are collectivists and pro-organizational. They are not considered individualistic and opportunistic as suggested by the adopted of agency theory. The agent is not chosen for the search of an individual gain but for the collective interest.

3. The conceptual framework

The literature on entrepreneurial typology allows distinguishing certain profiles of owner-managers which are able to analyze the practices of SME managers face the mechanisms of corporate governance. These profiles are essentially the capabilities of the leader, his management style of the firm and his motivations [12].

The leader plays the role of organizational entrepreneur facing the governance structure. Indeed, he is able to easily influence governance mechanisms by mental schema and he does not necessarily undergo, as suggested by a significant part of empirical studies focusing on the agency relationship between leader and shareholder.

The human capital of the leader has a significant influence on the structure of corporate governance for at least two reasons. The first reason is the

motivation of the leader. According to [13], a leader who has a strong and recognized human capital finds little difficulty in getting a job on the labor market. Conversely, a leader who has a low human capital will have a very strong attachment to his company. This attachment is partly due to the lack of resolution on the labor market. Thus, the leader seeks to consolidate his power in the company by opening the capital of his company to financial investors. The second reason is the growth of the company and the leader is one of the axes of the response to these development needs.

The profiles studied are mainly the mode of accession to the leader function, goals of leader, his level of training and his experience.

3.1. The influence of access to the leader functions on organizational culture

The method of accessing to the leader function has an influence on the structure of SME governance. In fact, when the leader is creative, heir or successor, he becomes at the same time owner and manager and he can easily act on governance mechanisms [13]. Thus, more the leader holds a significant stake in the SME, more he is able to reduce the effectiveness of governance mechanisms such as the different internal controls exerted by the Board of Directors. Conversely, more the leader is promoted or recruited from outside, more his ability to influence the governance structure will be less intense [1]. However, organizational culture is a key component of the governance structure; it will be influenced by the mode of access to the leader function.

To test the influence of methods of accessing to leader on the organizational culture of SMEs, we propose the following hypothesis:

H1: Leaders recruited from outside have a direct and positive impact on the organizational culture.

3.2. The influence of the goals of the leader on the organizational culture

This characteristic rather subjective requires a large explanation because it reflects the aspirations of the leaders. These goals can be classified into four types namely: the search for independence, the desire to sustainability and stability, the desire for growth and the pursuit of profit [1].

These four dimensions are interrelated as they may conflict with one another. Indeed, if growth is necessary for the survival and vice versa, it can hinder the survival and the benefit.

According to [1], there is a "basket of goals" inside of which exerts a certain hierarchy and this hierarchy would print the logic behavior. This is why the goals are measured using scales or constant-sum scales strong cardinal.

[12] point in the same direction by constructing a typology based on the goals of the leader, his organization and his own vision of his managerial power. They distinguish four groups of leadership. The first group is called "technicians satisfied"; it is characterized by its refusal to increase

the size of the business and technical expertise. The second group is treated as "ambitious adventurers"; it consists of executive seeking to diversify and increase activity. The third group is the "prudent managers" promoting improvement in turnover and profit. The last group is called "ambitious maximizes"; on the one hand it is very sensitive to the increase in earnings and profitability and on the other hand to increase the size of the company and the diversification of its activities. In summary, we indicate that the characteristics of entrepreneurial types which can influence corporate governance mechanisms are developed around the objectives of independence in the decision-making process, latitude towards risk and the flexibility to deal growth. These objectives help to create an adaptive and participative culture [6].

To detail and understand the influence of the goals of the leader of SME on organizational culture, we developed the following hypothesis:

H2: The goals of the leader have a direct and positive impact on the organizational culture.

3.3. The influence of professional experience on the organizational culture

Many experts explain that an element entirely characteristic of the universe of SMEs lies in the extreme diversity of profiles of leaders, "sometimes self, sometimes a graduate of higher education, in turn young creator, inexperienced, part of a large group resigned or heir of an old family business" [1].

The experience of the manager and initial training are the main determinants of general skills of the leader. Thus, a manager who has a higher initial training will have more knowledge to adapt the organizational structure of the company to his environment. In addition, the professional experience will ensure the development of the foreign company [13]. The experience can also affect the financial function and the production function of the enterprise. Hence, more SMEs leader is experienced; more organizational culture is adaptive and participatory.

For their part, [1] emphasized the importance of leadership profiles by analyzing the relationship between accounting and certain characteristics of SME managers such as the age, the experience, the training and the preferences of information.

To focus on the influence of the experience of the leader of the organizational culture, we make the following hypothesis:

H3: The experience of the leader has a direct and positive impact on the organizational culture.

3.4. The influence of the training mode of the leader on organizational culture

Many authors have studied the impact of mode of formation on the management practices of SME ([14]; [1]; [15]). However, according to [15] accounting practices reflect the organizational culture of SME which is largely influenced by profiles of leader.

The literature on this subject asserts that leaders with a high level of

education have a more intense degree of use of accounting data. However, if the state of under-utilization of accounting data is the result of a low level of training, type of training itself is a predictor of the degree of use of these data [14].

For its part, [1] notes that the type of training seems to be closely linked to the accounting practices of SME. Indeed, leaders with training type accountant or manager have a high degree of use of accounting data. This result reflects dimensions of organizational culture such as implication ad mission. In fact, [15] show that the leader who holds a university degree does not align the accounting policies on tax arrangements. However, SMEs which use the computer to calculate their cost show a higher proportion of internal accountant with a university education.

Finally, [16] emphasizes that leaders graduate business schools have a more active behavior and higher skills than others.

To test the effect of training mode leader facing the organizational culture, we develop this hypothesis:

H4: The training mode leader has a direct and positive impact on the organizational culture.

4. Methodology of the study

4.1. Presentation of the sample

Our sample is certainly not made intuitively. It was chosen in order to obtain an acceptable representation of different sectors and size limits. It consists of independent Tunisian SMEs, employing 10 to 50 employees.

We eliminated subsidiaries, branches, divisions, or institutions of larger companies and very small companies with fewer than 10 employees and companies with more than 50 employees. These selection criteria led us to obtain a final sample of 120 SMEs.

Visit the website of the Agency for the Promotion of Industry and specifically the directory of industrial companies, allows us to identify all companies that satisfy the conditions of choice in our sample of SMEs. We find a listing details for each company with a collection of information on the name, the manager, activities, products, the address of the factory, the governorate, phone numbers, e-mail, the date of production, capital and employment.

Table 1 - Procedure of the sample

Population of SME visited	172
Exclusion for refusals or missing data	(52)
Questionnaires collected	120
Total firms included in the sample	120

4.2. Data collection and methodology

Data collection was based on the administration of a questionnaire comprising in its first part the different governance mechanisms recognized in the literature and in the second part the various profiles of leaders.

The development of the questionnaire was conducted in several stages. First, a survey of 20 SME managers was conducted. A second questionnaire, taking into account the limits of the first and the evolution of the problem was developed and tested with four SME and two accountants. Changes have been made to improve certain formulations and measures chosen. This is a third version of the questionnaire which was administered to 120 managers of SMEs in the sample.

This method seems to be best suited to solve our problem of determining the specific governance mechanisms of Tunisian SMEs which are in most cases family businesses having the legal status of limited liability.

Our study is based on a quantitative method through the methods of structural equations. These are the most recent developments and highlights in marketing research. The use of structural equations is justified in many finance and accounting research. Software used for data processing is SPSS and PLS-Graph.

4.2.1. The measurement model

The measurement model is estimated within a confirmatory factor analysis. It confirms the structure proposed by the exploratory factor analysis, scale reliability and validity measures. Indeed, confirmatory factor analysis is a powerful method than exploratory factor analysis because it provides criteria for assessing quality of adjustment of the measurement model and it approves convergent and discriminant validity. It is often used to certify the psychometric quality of results obtained at the end of an exploratory factor analysis.

The measurement model can summarize a set of observed variables into a smaller number of factors. It is a method of data reduction that shares an idea that seeks to identify exploratory way of dimensions underlying the observed variables.

4.2.2. The structural model

The model equations are estimated to test the structural links pre-established by the literature in the form of hypotheses.

Structural models represent complex relationships within a set of variables. They also respond to questions from researchers on the effect of a moderating or mediating variable on an explanatory variable and a dependent variable.

The estimation results are used to verify the goodness of fit of the model. Examination of absolute fit indices of the model (Chi2, GFI, TII and RMSEA) can judge whether the model has a good fit or if it is necessary to make changes as measurement model.

- The Chi2: to estimate the degree of adjustment or convergence between the covariance matrix of the observed data and the covariance matrix of the specified theoretical structure. The probability level Chi2 is the probability of obtaining a value of Chi2 larger than the value obtained for the model is correct.
- The GFI: is an index of the importance of covariance recorded by the model. More this index is close to 1 more the model is robust. This index

is independent of the sample size.

- The RMSEA: is a measure of the residual variance. It reflects the portion of the recovered non-covariance by the model. More this index is close to zero more the model is robust. In practice, the model is assumed satisfactory if the RMSEA is less than 0.05.
- The TLI: is an incremental fit index or comparison index. This index is more than 0.9 over the quality of the model fit is better.

Table 2 - Goodness of fit of the structural model

CMIN	DF	P	CFI	TLI	RMSEA	GFI
90,8	90	0,001	0,94	0,89	0,045	0,942

Two approaches can be used when adjusting the quality is bad, the approach phase elimination and the approach phase addition. As for the measurement model, the approach is to ensure of the significance of the regression relationship between the latent variable and its measures and links covariance between the latent variables.

The modification of the model focuses on some insignificant links (CR <1.96) whose removal leads to the simplification of the model.

Once we believe that our model adjustment quality is sufficiently high (TLI, CFI > 0.9 and RMSEA < 0.05), we use the resulting model and we pass to the study of structural links.

Our model adjustment quality is acceptable, it has no moderator variable and the review focuses only on direct effects.

4.3. Measurement of variables

Our study is based on a quantitative method through the methods of structural equations. These are the most recent and significant developments in marketing research.

4.3.1. Measurement of organizational culture of SMEs

The system of beliefs and values of a company is a mechanism that is generally applicable to SMEs. It consists essentially of trust, personal ethics, culture, management philosophy in general [17].

Corporate culture is the shared opinion, values and standards. [18], [19] and more recently [20] identify four dimensions of corporate culture which are: adaptability, consistency, commitment and mission.

- Adaptability refers to the degree that an organization is able to change the behavior, structure and system to survive and monitor environmental changes.
- Consistency is the extent of the beliefs, values and expectations among members of the organization.
- The implication is the level of participation by organizational members in the process of decision making.
- The mission refers to the existence of a shared definition of goals or objectives of the organization.

In our research, the organizational culture is assessed using a scale of four items with five answer choices numbered 1 to 5 (1 being zero proportion and five very large proportions). Each of the four items is a particular dimension that characterizes the organizational culture within the SMEs.

Table 3 - Evaluation of items of organizational culture

Symbol	MSAi	Correlation item with total score	Cronbach α si item i removed	Contribution factor F
Adaptabi	0,724	0,662	0,662	0,842
Consista	0,757	0,567	0,717	0,779
Implicat	0,764	0,637	0,683	0,820
Mission	0,821	0,444	0,788	0,651
Cronbach α = 0,770		MAS (KMO) = 0,758		N = 120

The dimensionality test on the variable organizational culture by exploratory factor analysis suggests retaining all items as their contribution to the formation of the factor is greater than 0.40.

Indeed, the four items form a single factor or a single dimension called: organizational culture. The reliability measurement by the method of Cronbach notes satisfactory internal consistency (0.770). The correlations between these items and the total score is high (greater than 0.5) with acceptable MSA (above the threshold limit of 0.5 floor Kaiser). Thus, we retain four items.

Table 4 - Final formulation of the items of the organizational culture

Symbol	Statement
Adaptabi	Adaptability
Consista	Consistency
Implicat	Implication
Mission	Mission

4.3.2. The goals

The goals of the SME manager can be classified into four types [1]; [15]:

- Research independence
- The willingness of durability and stability
- The desire for growth
- The search for profit

These four dimensions are intimately related but they may conflict with each other. While growth is necessary for the survival, it can hinder the

survival benefit if it is too strong.

According [1], there is a "basket of goals" inside of which has a certain hierarchy which would print the logic of behavior. This is why the goals are measured using scales constant sum or cardinal scales strong.

A series of four items was developed. It was for leaders to balance from 1 to 5 each of the four items corresponding to the objective of independence, stability, growth and profit, assigning more points to their goals that seemed most important.

4.3.3. Experience

Experience is measured by reference to the number of years spent by the leader at the head of the company [1]; [15].

4.3.4. The training mode

The mode of formation of the leader is measured using a dichotomous variable that takes the value 1 if the leader was taught higher education universities and 0 if not [13]. This classification seemed most appropriate in our context. An officer graduate of the universities of higher education has a direct and positive effect on governance practices. In contrast, the self-taught leaders prefer to avoid exposure to risk. They encourage modes of internal financing. Thus, the mode of training (graduate or not) is directly related to the ownership structure and modes of governance in SMEs.

4.3.5. The mode of accession

The business executive can access to the leader function by several methods. He can be creative, heir or buyer as he can be promoted or hired from outside. In all cases, he is recruited from outside, leader who can act directly and positively on governance mechanisms [15] and in particular on the use of management systems [1].

This is a dichotomous variable that takes the value 1 if the leader is recruited from outside and 0 if not [13].

4.3.6. Control variables

These variables are mainly the age of the company and its size.

a) The age of the company

The date of founding of the SME indicates clearly the age of the company [15].

b) The size of the company

Two criteria are used in the literature to define the size of the company: the turnover tax and the number of employees. These two indicators are highly correlated [1].

5. Analysis of results

5.1. General Characteristics of the sample

5.1.1. The size of SMEs encountered

The description of our sample of SMEs passes first through the study of the size in terms of number of employees and turnover then by various

sectors and finally by the ownership structure.

To describe the size of SMEs in the sample, we will be based on two measures: the number of employees and turnover.

Table 5 - Distribution of SMEs according to their employee

Number of employees	10-25	26-50
Rate	53,33%	46,67%

Table 6 - Distribution of SMEs by turnover excluding Tax

Turnover excluding Tax	[0-1000[[1000-5000[[5000-10000[>10000 TND
Rate	41,67%	8,33%	20,83%	29,17%

5.1.2. Sectors of activities

Four sectors of activities have been identified: the manufacture, trade, service and others.

Table 7 - Distribution of SMEs by sector

Sector	Manufacture	Trade	Service	Others
Rate	29,17%	30,83%	23,33%	16,67%

All companies in our sample of SMEs have a family character, in other words the capital is held by more than 50% of individuals belonging to the same family. The presence of institutional investors is not significant in our sample of SMEs (5%).

5.1.3. The ownership structure

All companies in our sample of SMEs have a family character, in other words the capital is held by more than 50% of individuals belonging to the same family. The presence of institutional investors is not significant in our sample of SMEs (5%).

5.2. Profiles of leaders

The description of the leaders in our sample is centralized around its different profiles namely: age, level of training and experience. The description of leader profiles approve that the majority of leader in our sample of SMEs is aged and has a high training mode.

5.2.1. The age of leaders

The majority of managers (48.3%) are aged 50 and over. In contrast, only 9.2 % of managers are young (under 30 years). This result shows that the leaders of our sample are older.

Table 8 - Distribution of leaders by age

Age of leader	≤ 30 years	From 30 to 39	From 40 to 49	≥ 50
Rate	9,2%	18,3%	24,2%	48,3%

5.2.2. The level of training of leaders

The majority of leaders (27.5%) had a master's degree, while 20.8% leaders have a bachelor's third cycle and only 7.5% are self-taught. This result shows that the leaders of our sample have a high level of training.

Table 9 - Distribution of leaders by training mode

Training mode	Autodidact	CAP BEP TEG	Bac	Bac+ 2-3	Bac+ 4-5	Third cycle
Rate (%)	7,5	8,3	12,5	23,3	27,5	20,8

5.2.3. The experience of leaders

The majority of leaders interviewed (38.33%) have 11 to 15 years of experience. The minimum number of years of experience is met two years. These results allow us to suggest that most SME managers are well experienced.

5.3. Effect of profiles leader on the organizational culture

5.3.1. Effect of the mode of accession to the leader function

The analysis of structural equations allows us to verify the impact of the access mode of leader on organizational culture. An examination of the causal relationship shows that the coefficient associated with the link between the mode of accession and the culture is not significant ($t = 1.585$, $\beta = -0.158$). Therefore, we can reject the hypothesis H1 which state that the leader recruited outside has a direct and positive impact on the organizational culture. We may add that the organizational culture is independent of the mode of access to executive function (successor or recruited from outside). Culture is especially influenced by variables related to human capital of the entrepreneur. This result coincides with those of [1] and [15]. Indeed a leader promoted or recruited externally needs additional time to understand the organization. However, a founder or successor leader knows his business, employees and competitors. This access mode dispersion has no effect in the determination of a company's culture. These are the myths of the founder, also called the father of the company that matters most in the context of SMEs [21].

5.3.2. Effect of the goals of the leader

The examination of causal relations shows that the coefficient associated with the link between the goals of the leader and the organizational culture is not significant ($t = 1.5350 < 1.96$), so we can reject the hypothesis H2. These results should be interpreted with caution. Indeed, the corporate

culture reflects a collective value system that the leader can easily influence. The examination of the relationship between human capital leader and organizational culture has always taken the attention of researchers in management science. Indeed, the authors link the corporate culture with organizational effectiveness or performance. This relationship allows inquiring the influence of the culture of the leader even through their profiles on the organizational culture. The question seeks to identify the extent to which the aspirations of the leader actually print in its accounting behavior.

Researchers often use structural equation models to examine the impact of the variable of corporate culture on organizational performance [20]. Our results confirm the impact of the dimension of the experience of the manager on the organizational culture. Nevertheless, the goals of the leader of the SMEs in Tunisia have no impact on the organizational culture. In fact, the desire of leader for growth is independent of organizational culture dimension. This finding is similar with that of [13].

5.3.3. Effect of the experience of leader

The analysis of structural equations allows us to determine the impact of the experience of the leader organizational culture. Indeed, an examination of the causal relationship shows that the coefficient associated with the link between the experience of the leader and culture is statistically significant at the 5% level. Therefore, we can believe to the impact of experience on organizational culture ($T = 2.3164$) and accept the hypothesis H3.

In total, over the leader is experienced, the SME is able to change employee behavior, structure and system [1]. SMEs will also be able to monitor environmental changes. Employees would be able to participate in the process of decision-making side of the ruler. The latter, aware of the importance of organizational culture, says a shared definition of goals and objectives of the organization with organizational members. Thus, the culture of SMEs will be distinct from the culture of the owner-manager. Our result does not coincide with that of [3]. This can be explained by the difference in the context of the countries examined.

Every company has a rationale, objectives and constraints, and it is the manager or officer who is responsible for implementation. According to [21], corporate culture is the underlying level of rules and management systems. Success in the management of the company has all the quality of the manager of the adequacy of management systems. Thus, organizational culture seems to be a product of the action of the manager. Our results complement these findings by describing the importance of the experience of the leader in the creation of an organizational culture.

5.3.4. Effect of training mode of the leader

The analysis of structural equations allows us to verify the impact of the mode of formation of the leader of the organizational culture, binding mechanism in the context of SMEs. Indeed, an examination of the causal relationship shows that the coefficient associated with the link between

the training mode and the organizational culture is statistically significant at the 5% significance level (Student's $t = 2.727 > 1.96$). Thus, we can say that the leader graduate university of higher education has a direct and positive impact on the organizational culture and therefore we can accept the hypothesis H4. This result completes that of [22] who confirm the relation between organizational culture and leaders profiles.

The management of human resources shows how the company treats its employees. Recruitment, evaluation, compensation, and other functions are interested in personal management methods and reflect the organizational culture [13]. A leader with a high level of training and / or manager type can easily reach these functions in order to improve performance. Thus, the organizational culture is an effective governance mechanism for value creation and business executive. According [23] corporate culture will be a key determinant of the mechanism as it has a fairly rich human capital values .

5.4. Effect of profiles of SME on the organizational culture

The company profiles are essentially its size and age. The debt is also an important variable in the context of SMEs, but we will not treat in this research for lack of information on the debt ratio.

5.4.1. Effect of the firm size on organizational culture

The analysis of structural equations can explain the impact of firm size on organizational culture. Indeed, an examination of the causal relationship shows that the coefficient associated with the relationship between company size and culture is statistically significant ($t = 2.852 > 1.96$). This result allows us to accept the hypothesis that there is a significant relationship between the size of the SMEs and organizational culture.

Organizational culture refers primarily to large organizations. However, any company has a culture developed during its history. Thus, the organizational culture is a key variable of daily life and the strategic choices made by a social group and SMEs are heterogeneous and are not reduced by large organizations models [15]. Therefore, the culture of SMEs is not static; it evolves according to its leader, its employees, its size, its context...

5.4.2. Effect of the age of SME on organizational culture

Examination of Student's t tests allows concluding that the age of the SME influences the cultural values of the company (adaptability, consistency, involvement and mission). Thus, we can accept the hypothesis that there is a significant relationship between the age of the SMEs and organizational culture. This result shows that the lifetime of the SMEs is an important feature in determining the explanatory factors of organizational culture.

Organizational culture is the result of an accumulation process values, principles or myths in history, so it is a socio-historical phenomenon. Thus, the age of the company is always regarded as a key element of its culture. The real identity of the company is not only that intended by its

leaders but it materializes a specific culture that will allow the company to identify and distinguish its competitors.

Table 10 - Results of structural equation modeling (Organizational Culture)

Dependent variable: organizational culture		
Hypotheses	β	T
experien→culture	0,349	2,3164*
goals→culture	0,289	1,5350
training →culture	0,297	2,7271*
access→culture	-0,158	1,5853
age →culture	0,458	2,5676*
employees→culture	0,321	2,8521*
R ²	45,8%	

* For $p < 0.05$ based on Student's t distribution

Culture dependent variable measuring corporate culture; goals : variable representing the goals of the leader of SMEs (durability , stability , profit, growth); experiments : variable representing the number of years of experience of the owner-manager ; training: dichotomous variable taking the value "1" for the leaders of university graduates and "0" otherwise ; access: dichotomous variable taking the value "1" for the leader recruited from outside and "0" otherwise ; creation: variable measuring the age of the company; employees: variable measuring the size of the company .

Our result confirms previous studies about the impact of the age of the company in creating a participatory culture that incorporates employee in the decision-making process (involvement) and adaptive crop (the adaptability) following various environmental changes. Therefore, a good adhesion to the participatory and adaptive culture will be certainly a source of performance [24]. This calls into question the culture of SMEs is considered by many researchers confused with the culture of the owner-manager. In fact, the results of our research show that older SMEs in our sample are those most affected by a culture respecting the desired dimensions.

6. Conclusion

This study seeks to identify specific governance mechanisms for SMEs and explain the determinants of organizational culture as binding mechanism in SMEs. To do this, we were inspired by the literature on the specific mechanisms of governance for listed companies. We also based on agency theory to study different agency conflicts that may exist in SMEs characterized by the concentration of ownership and control in the hands of one person to know the manager. Thus, we focused on other alternative theories, such as the stakeholder theory and stewardship theory in order to determine the mechanisms of governance best suited to the context of SMEs and more specifically Tunisian SMEs.

Generation results in all SMEs should be considered with caution because SMEs depend largely on the context studied. Thus, SMEs in developing

countries like Tunisia might have particular corporate governance compared to SMEs in developed countries. However, we can say that any research that takes into account that SMEs are heterogeneous and are not reduced models of large companies, is definitely contributions carrier in pursuit of the ultimate goals of value creation and performance improvement.

The results of this research provide a basis of comparison for SMEs to question their organizational culture. Leaders must be aware of the importance of respect for contracts and commitments with their partners. They must understand that good governance in SMEs requires a fairly sophisticated management system and an adaptive culture. The organizational culture of SMEs depends largely on profiles of leader but it is not always confound with the culture of the latter as suggesting by large literature.

This research demonstrates that the determinants of organizational culture are based on profiles of their leaders and that these profiles are essentially the mode of training, experience and the pursuit of profit and sustainability.

The owner-manager, omnipresent at all organizational levels of the SMEs, still deserves appreciation on the part of researchers, both in its personality as its profiles. Its role in the specification of governance is appreciated by all researchers seeking to identify the binding mechanisms of governance in SMEs such as organizational culture.

The central issue of any device of corporate governance is a part in the creation of value and the other in improving the efficiency of the company. In SMEs, the central issue of a good corporate governance system is to produce quality relationships with its partners (customers, suppliers, investors) or its family. Thus, the owner-manager must break with loneliness and must share knowledge networks. Dissemination of information, transparency and openness to the statutory auditors are crucial components of economic upgrading of SMEs. In addition, our present work confirms that the profiles of the leader of the SMEs are key determinants in the establishment of organizational culture.

Our results confirm the influence of the leader of the SME on organizational culture. Thus, the profiles of the leader are determinants of SME Governance mechanisms. Indeed, a leader graduate of the universities has an effect more important than the other profiles on organizational culture dimensions. The age of the leader is lower although in terms of importance as the first profile, its impact is significant on the culture of SMEs. However, both a visionary leader and an employee leader do not have an effect on organizational culture.

We can also argue that the organizational culture depend firstly on the characteristics of SMEs such as size, age, concentrated or family and secondly on the degree of development of small business because a business will certainly mechanisms within the medium, although they both are in the SME group.

The creation of organizational culture in SMEs is in the hands of its leader. The latter are often afraid to choose the best people, he is in most

of the times satisfied with his ability to lead the company and he control only his management. Thus, SMEs should open its human political participation, sharing and employee share ownership, it must open its capital to better growth and must commit to sustainable development in order to reconcile the financial, economic and social performance. In particular, a policy of communication and leadership training conveys the concepts of corporate governance can lead to development of a spirit of creativity, competition and especially production of a participatory culture.

Finally, we must point out that a good system of governance in SMEs is based on the adoption of best management policies. Therefore, SMEs should have a management system rich enough and selective strategy that allows the creation of a competitive advantage and suggests that leaders develop knowledge in the art. The same leaders are required to adopt a management control and irrigated advanced management of new technologies and to reconcile the implication dimension in terms of organizational culture.

Despite these contributions, our study has certain limitations that can be avoided in future studies. Indeed, in any questionnaire survey, the objectivity of responses is a possible source of error and this phenomenon is more pronounced especially when characterizing the organizational culture since the answers depend largely on perceptions facts.

This work is a rich field of study for any researcher wanting to progress in understanding the relation between organizational culture, profiles of leader and performance of Tunisian SMEs.

Acknowledgements

At the end of this research, I wish to express my gratitude and appreciation to the people and organizations that have encouraged and supported this study.

My first thanks go to my supervisor, Mr. Habib AFFES, lecturer, for his support, his effective contributions, his valuable recommendations and encouragement and for the attention he has brought to this article from my thesis at various stages of its development.

Mr. Anis JARBOUI, lecturer, did me the honor of being lecturer for this work. I wish to express my gratitude.

I would like to sincerely thank Mr. Hamadi FAKHFAKH, Professor of Higher Education; He kindly accepts to be a jury member for the evaluation of my article.

REFERENCES

- [1] Chapellier P. Comptabilité et systèmes d'information du dirigeant de PME. Thèse de Doctorat de Sciences de Gestion 1994, Université de Montpellier II.
- [2] Marchesnay M. La PME: une gestion spécifique. *Economie Rurale* 1999; 206: 11-17.
- [3] Charreaux G. La gouvernance des PME-PMI. available at: <http://pagesperso-orange.fr/gerard.charreaux/perso/articles/GEPME.pdf> (Accessed 2002).
- [4] Weir C, Laing D, McKnight PJ. Internal and External Governance Mechanisms: Their Impact on the Performance of Large UK Public Companies. *Journal of Business Finance & Accounting* 2002; 29(5/6): 579-611.
- [5] Antheaume A, Charreaux G. *Gouvernement des organisations et comptabilité financière*. Vuibert ; 2001.
- [6] Faber P. La motivation du dirigeant de PME: un processus à gérer pour soi-même et l'organisation. Thèse de Doctorat de Sciences de Gestion 2002.
- [7] Charreaux G. Le statut du dirigeant dans la recherche sur le gouvernement des entreprises. In *le gouvernement d'entreprises: Corporate governance, théories et faits*. Paris ; Economica ; 1997.
- [8] Abdelmoula I. Gouvernance d'entreprise et profils du dirigeant : cas des PME tunisiennes. Thèse de doctorat en Méthodes de Finance et de Comptabilité 2012, Université de Sfax.
- [9] Corbetta G, Salvato CA. The Board of Directors in Family Firms: One Size Fits All?. *Family Business Review* 2004; 17(2):119-134.
- [10] Chua JH, Steier LP, Chrisman JJ. How Family Firms Solve Intra-Family Agency Problems Using Interlocking Directorates: An Extension. *Entrepreneurship Theory and Practice* 2006; 30(6): 777-783.
- [11] Jensen MC, Meckling WH. Theory of the firm: managerial behaviour, agency costs and ownership structure. *Journal of Financial Economics* 1976; 4: 305-360.
- [12] Billard L, Boissin J.P, Deschamps B. Profils du dirigeant et représentation des mécanismes du gouvernement d'entreprise. *Directions et gestion des entreprises* 2003 ; 204 :35-47.
- [13] Pigé B. La gouvernance d'entreprise dans les PME: l'adaptation du profil du dirigeant aux besoins de l'entreprise. *Revue Internationale PME* 2002; 15; 2:119-142.
- [14] Holmes S, Nicholls D. Modelling the accounting information requirement of small business. *Accounting and Business Research* 1989; 19.
- [15] Lavigne B. Contribution à l'étude de la genèse des états financiers des PME, Thèse de Doctorat de Sciences de Gestion 1999, Université Paris IX-Dauphine.
- [16] Lacombe-Saboly M. Les déterminants de la qualité des produits comptables des entreprises : le rôle du dirigeant. Thèse de Doctorat de Sciences de Gestion 1994, Université de Poitiers.
- [17] Steier L. Family Firms, Plural Forms of Governance, and the Evolving Role of Trust. *Family Business Review* 2001; 14(4): 353-367.
- [18] Denison DR, Mishra AK. Toward a theory of organizational culture and effectiveness. *Organisation Science* 1995; 6(2): 204–223.
- [19] Fey CF, Denison DR. Organizational culture and effectiveness: can American theory be applied in Asia?. *Organisation Science* 2003; 14(6): 686–706.
- [20] Zheng W, Yang B, Mclean G. Linking organisational culture, structure, strategy and organisational effectiveness: Mediating role of knowledge managements. *Journal of business Research* 2009; 1-9.
- [21] Durand C, Fili JF, Hénault A. *Culture d'entreprise*. Edition Organization; 2000.
- [22] Schein E. *Organizational culture and leadership*. Homewood; 1985.
- [23] Dahler-Larsen P. Corporate culture and morality: Durkheim-inspired reflections on the limit of corporate culture. *Journal of Management Studies* 2007; 31(1): 1-18.
- [24] Denison DR, Spreitzer GM. Organizational culture an organizational development research. *Organizational Change and Development* 1991; 5: 1-21.